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Shannon Bowyer Hudson Counsel for ORS

August 18, 2008

VIA E-FILING

Charles L.A. Terreni, Esquire Chief Clerk/Administrator Public Service Commission of South Carolina 101 Executive Center Dr., Suite 100 Columbia, SC 29210

Re:

Application of Jacabb Utilities, LLC for Approval of an Establishment of Water Rates and Charges and Approval of Agreement for Water Services with Pointe West, Incorporated to Serve High Pointe Development in Oconee County

Docket No.: 2008-173-W

Dear Mr. Terreni:

Enclosed please find Revised Exhibit MEF-5 to the Settlement Testimony of Elizabeth Ford. This exhibit was revised to correct a miscalculation in the "Misc. Revenue" category of \$1,650. The correct "Misc. Revenue" number is \$8,325 calculated by multiplying a one-time \$25 administrative fee per 333 units, the projected full build-out. Because this number is removed from revenues, there is no change in the operating margin. Also, to better describe the calculation, "Misc. Revenue" was re-labeled "Misc. Revenue – Customer Account Charge." Lastly, the "DHEC and Other Fees" label should have been "DHEC Safe Drinking Water Fee."

Please accept our apologies for not catching these earlier.

Sincerely,

Shanner Bowy Modern Shannon Bowyer Hudson

cc: James S. Eakes, Esquire

8.66%

Jacabb Utilities, LLC 2008-173-W

Operating Margin Calculation

Service Revenues - Purchased Water \$ 162,577 Base Fee \$ 31,409 DHEC Safe Drinking Water Fee \$ 2,397 Misc. Revenue - Customer Account Charge \$ 8,325 Purchased Water \$ (162,577) Misc. Revenue- Customer Account Charge \$ (8,325) DHEC Safe Drinking Water Fee \$ (2,397) Misc. Revenue- Customer Account Charge \$ (8,325) DHEC Safe Drinking Water Fee \$ (2,397) Stypenses: Operations/Meter Reading/Admin 17,280 Maintenance & Repairs 6,941 Laboratory 1,500 DHEC Safe Drinking Water Fee 2,397 Gross Receipts 1,469 Depreciation 1,500 Purchased Water 162,577 Total Expenses Per Application 193,664 Less: Purchased Water \$ (162,577) DHEC Safe Drinking Water Fee \$ (2,397)	Scope:	To calculate company's operating margin based on information provided in the application, data request response, and revised exhibits.						
Base Fee \$ 31,409 DHEC Safe Drinking Water Fee \$ 2,397 Misc. Revenue - Customer Account Charge \$ 8,325 Total Revenues Per Application \$ 204,708 Less: Purchased Water \$ (162,577) Misc. Revenue - Customer Account Charge \$ (8,325) DHEC Safe Drinking Water Fee \$ (2,397) Total Revenues After Adjustments \$ (173,299) Expenses: Operations/Meter Reading/Admin 17,280 Maintenance & Repairs 6,941 Laboratory 1,500 DHEC Safe Drinking Water Fee 2,397 Gross Receipts 1,469 Depreciation 1,500 Purchased Water 1,500 Purchased Water 1,500 Purchased Water 1,500 Purchased Water 5,577 DHEC Safe Drinking Water Fee 5,62,397 Total Expenses Per Application 193,664	Revenues:							
DHEC Safe Drinking Water Fee \$ 2,397 Misc. Revenue - Customer Account Charge \$ 8,325 Total Revenues Per Application \$ 204,708 Less: Purchased Water \$ (162,577) Misc. Revenue- Customer Account Charge \$ (8,325) DHEC Safe Drinking Water Fee \$ (2,397) Total Revenues After Adjustments \$ \$ 31,409 Expenses: Operations/Meter Reading/Admin 17,280 Maintenance & Repairs 6,941 Laboratory 1,500 DHEC Safe Drinking Water Fee 2,397 Gross Receipts 1,469 Depreciation 1,500 Purchased Water 1,5		Service Revenues - Purchased Water	\$	162,577				
Misc. Revenue - Customer Account Charge \$ 8,325 Total Revenues Per Application \$ 204,708 Less: Purchased Water \$ (162,577) Misc. Revenue- Customer Account Charge \$ (8,325) (173,299) Total Revenues After Adjustments \$ 31,409 Expenses: Operations/Meter Reading/Admin 17,280 Maintenance & Repairs 6,941 Laboratory 1,500 DHEC Safe Drinking Water Fee 2,397 Gross Receipts 1,469 Depreciation 15,500 Purchased Water 162,577 Total Expenses Per Application 193,664 Less: Purchased Water \$ (162,577) 193,664 Less: Purchased Water \$ (162,577) 5 (164,974) 164,974)		Base Fee	\$	31,409				
Total Revenues Per Application \$ 204,708 Less: Purchased Water \$ (162,577) Misc. Revenue- Customer Account Charge \$ (8,325) (2,397) (173,299) Total Revenues After Adjustments \$ (173,299) Total Revenues After Adjustments \$ 31,409 Expenses: Operations/Meter Reading/Admin 17,280 Maintenance & Repairs 6,941 Laboratory 1,500 DHEC Safe Drinking Water Fee 2,397 Gross Receipts 1,469 Depreciation 1,500 Purchased Water 162,577 Total Expenses Per Application 193,664 Less: Purchased Water \$ (162,577) Total Expenses Per Application \$ 193,664		DHEC Safe Drinking Water Fee		2,397				
Less: Purchased Water \$ (162,577)		Misc. Revenue - Customer Account Charge	\$	8,325				
Purchased Water Misc. Revenue- Customer Account Charge DHEC Safe Drinking Water Fee Total Revenues After Adjustments Total Revenues After Adjustments Signature Operations/Meter Reading/Admin Maintenance & Repairs Laboratory DHEC Safe Drinking Water Fee 2,397 Gross Receipts Depreciation Purchased Water Total Expenses Per Application Total Expenses Per Application Less: Purchased Water Purch		Total Revenues Per Application			\$	204,708		
Misc. Revenue- Customer Account Charge DHEC Safe Drinking Water Fee \$ (2,397) \$ (173,299) \$ (173	<u>Less</u>	<u>:</u>						
DHEC Safe Drinking Water Fee \$ (2,397)		Purchased Water		(162,577)				
S (173,299)		Misc. Revenue- Customer Account Charge		(8,325)				
Total Revenues After Adjustments \$ 31,409 Expenses: Operations/Meter Reading/Admin 17,280 Maintenance & Repairs 6,941 Laboratory 1,500 DHEC Safe Drinking Water Fee 2,397 Gross Receipts 1,469 Depreciation 1,500 Purchased Water 162,577 Total Expenses Per Application 193,664 Less: Purchased Water \$ (162,577) DHEC Safe Drinking Water Fee \$ (2,397) PHEC Safe Drinking Water Fee \$ (2,397) DHEC Safe Drinking Water Fee \$ (2,397) \$ (164,974)		DHEC Safe Drinking Water Fee	\$	(2,397)				
Expenses: Operations/Meter Reading/Admin 17,280 Maintenance & Repairs 6,941 Laboratory 1,500 DHEC Safe Drinking Water Fee 2,397 Gross Receipts 1,469 Depreciation 1,500 Purchased Water 162,577 Total Expenses Per Application 193,664 Less: Purchased Water \$ (162,577) DHEC Safe Drinking Water Fee \$ (2,397) PHEC Safe Drinking Water Fee \$ (2,397) [\$	(173,299)	<u> </u>	
Operations/Meter Reading/Admin 17,280 Maintenance & Repairs 6,941 Laboratory 1,500 DHEC Safe Drinking Water Fee 2,397 Gross Receipts 1,469 Depreciation 1,500 Purchased Water 162,577 Total Expenses Per Application 193,664 Less: Purchased Water \$ (162,577) DHEC Safe Drinking Water Fee \$ (2,397) \$ (164,974)	Total Revenues After Adjustments						\$	31,409
Maintenance & Repairs Laboratory DHEC Safe Drinking Water Fee 2,397 Gross Receipts 1,469 Depreciation 1,500 Purchased Water Total Expenses Per Application 193,664 Less: Purchased Water \$ (162,577) DHEC Safe Drinking Water Fee \$ (2,397) \$ (164,974)	Expenses:							
Laboratory 1,500 DHEC Safe Drinking Water Fee 2,397 Gross Receipts 1,469 Depreciation 1,500 Purchased Water 162,577 Total Expenses Per Application 193,664 Less: Purchased Water \$ (162,577) DHEC Safe Drinking Water Fee \$ (2,397) \$\$ (164,974)		Operations/Meter Reading/Admin		17,280				
DHEC Safe Drinking Water Fee 2,397 Gross Receipts 1,469 Depreciation 1,500 Purchased Water 162,577 Total Expenses Per Application 193,664 Less: Purchased Water \$ (162,577) DHEC Safe Drinking Water Fee \$ (2,397) \$ (164,974)		Maintenance & Repairs		6,941				
Gross Receipts 1,469 Depreciation 1,500 Purchased Water 162,577 Total Expenses Per Application 193,664 Less: Purchased Water \$ (162,577) DHEC Safe Drinking Water Fee \$ (2,397) \$ (164,974)		Laboratory		1,500				
Depreciation 1,500 Purchased Water 162,577 Total Expenses Per Application 193,664 Less: Purchased Water \$ (162,577) DHEC Safe Drinking Water Fee \$ (2,397) \$ (164,974)		DHEC Safe Drinking Water Fee		2,397				
Purchased Water 162,577 Total Expenses Per Application 193,664 Less: Purchased Water \$ (162,577) DHEC Safe Drinking Water Fee \$ (2,397) \$ (164,974)		Gross Receipts		1,469				
Total Expenses Per Application 193,664 Less: Purchased Water \$ (162,577) DHEC Safe Drinking Water Fee \$ (2,397) \$ (164,974)		•		1,500				
Less: Purchased Water Safe Drinking Water Fee \$ (162,577) \$ (2,397) \$ (164,974)		Purchased Water		162,577				
Purchased Water \$ (162,577) DHEC Safe Drinking Water Fee \$ (2,397) \$ (164,974)		Total Expenses Per Application				193,664		
DHEC Safe Drinking Water Fee \$ (2,397) \$ (164,974)	Less							
\$ (164,974)		Purchased Water	\$	(162,577)				
		DHEC Safe Drinking Water Fee	\$	(2,397)				
Total Funancia After Adhirensis					\$	(164,974)	<u> </u>	
S 28,690		Total Expenses After Adjustments					\$	28,690
Net Income (Rev - Exp) \$ 2,719	Net Income (Rev - Exp)					\$	2,719	

Operating Margin (Net Income/Rev)